

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 3628 - HB 3929

March 4, 2010

SUMMARY OF BILL: Requires the testing of oxygen saturation levels at least one time before a newborn child is discharged from a hospital. Requires additional testing if oxygen saturation level is below 92 percent when initially evaluated to determine the cause of the low oxygen saturation level.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$662,200

Increase Federal Expenditures - \$1,272,800

Assumptions:

- Pulse oximetry testing is currently a covered TennCare benefit.
- According to the Bureau of TennCare, the rate of false positives from pulse oximetry testing is between .01 and 12 percent.
- The TennCare program assumes a false positive rate of 3 percent which will require follow-up cardiac echo tests.
- There are approximately 43,000 TennCare covered births each year. It is estimated that TennCare will cover follow-up tests for approximately 1,290 (43,000 x .03) newborns each year.
- The estimated costs of the tests at \$1,500 resulting in an increase in expenditures of \$1,935,000 (1,290 x \$1,500).
- Of the increased expenditures, \$662,157 will be state funds at a rate of 34.22 percent and \$1,272,843 will be federal funds at a 65.78 percent match rate.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/kml

SB 3628 - HB 3929